

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**March 28, 2011**

**TO:** Honorable Judith Zaffirini, Chair, Senate Committee on Higher Education

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE: SB1365** by Ellis (Relating to the distribution of money appropriated from the national research university fund.), **As Introduced**

<b>No fiscal implication to the State is anticipated.</b>
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The bill would amend Education Code Section 62 to require the Texas Higher Education Coordinating Board to provide the Comptroller on an annual basis with each National Research University Fund (NRUF) eligible institution's restricted research expenditures.

The bill would make the restricted research data submitted to the Coordinating Board, as well as the certification or verification of the restricted research data by the Coordinating Board, subject to audit by the State Auditor. In the event of an audit, there would be a cost to the State Auditor's Office.

The bill would also allocate the annual proceeds appropriated from the NRUF according to each institution's proportional share of the total three-year average of restricted research expenditures for all eligible institutions, provided no eligible institution is funded at an amount less than \$2.5 million per year. In the event the NRUF proceeds are insufficient to provide this minimum amount to each eligible institution, the NRUF appropriation would be reinvested in the NRUF corpus.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 781 Higher Education Coordinating Board

**LBB Staff:** JOB, KK, RT, JAW